

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Determining the Proper  
Carrier Classification of, and Complaint  
for Penalties Against

SJ TAXI, LLC, D/B/A  
SAN JUAN TAXI & TOURS

DOCKET TE-220455

INITIAL ORDER 02

APPROVING SETTLEMENT  
AGREEMENT; IMPOSING AND  
SUSPENDING PENALTIES

**BACKGROUND**

- 1 **Nature of Proceeding.** The Washington Utilities and Transportation Commission (Commission) initiated this special proceeding to determine whether SJ Taxi, LLC, d/b/a San Juan Taxi & Tours (SJ Taxi or Company) has engaged, and continues to engage, in unlawful operations following the cancellation of its charter party and excursion service carrier certificate in violation of RCW 81.70.260.
- 2 **Procedural History.** On November 1, 2022, the Commission entered Order 01, Order Instituting Special Proceeding; Complaint Seeking to Impose Penalties; and Notice of Virtual Hearing (Complaint), pursuant to RCW 81.04.510, initiating this docket on its own motion. The Complaint alleges that SJ Taxi violated RCW 81.70.260 by advertising, soliciting, offering, or entering into one or more agreements to provide charter party or excursion carrier service within the state of Washington following the cancellation of its charter party and excursion service carrier certificate.
- 3 On the same date, the Commission issued a Subpoena and Subpoena Duces Tecum for Production of Documents (Subpoenas) to the Company commanding Carl Hassell, owner of SJ Taxi, to appear before the Commission at a special virtual proceeding scheduled to convene at 9:30 a.m., on November 30, 2022, and to provide documents in electronic form in advance of the virtual hearing as specified in the Subpoenas.
- 4 On November 8, 2022, the Commission issued a Notice of Substitution of Presiding Officer, reassigning this matter to Administrative Law Judge Andrew O'Connell due to a schedule conflict.

5 On November 29, 2022, Commission staff (Staff) contacted Judge O’Connell on behalf  
of the parties to indicate that the parties had reached a settlement in principle and to  
request the Commission suspend the procedural schedule and proceed on a paper record.

6 Also on that date, the Commission issued a Notice Suspending Procedural Schedule in  
this matter, cancelling the hearing previously scheduled for November 30, 2022, and  
indicating that this matter would proceed on a paper record.

7 **Hearing Waiver.** On November 29, 2022, Carl Hassell filed with the Commission a  
signed hearing waiver indicating that the Company waives its right to a hearing in this  
matter and requests the Commission base its decision on the written documents submitted  
by the parties.

8 **Settlement Agreement.** Also on November 29, 2022, Staff filed a settlement agreement  
(Settlement) on behalf of the parties that resolves all the contested issues in this  
proceeding.

9 As part of the Settlement, SJ Taxi admits that it violated RCW 81.70.260 on two  
occasions by (1) offering and (2) advertising to provide charter party or excursion carrier  
service. SJ Taxi also admits that it operated as a charter party or excursion service carrier  
subject to the jurisdiction of the Commission.

10 The parties agree that the Company will be assessed a \$10,000 penalty and, on the  
condition that the Company honors its pledge of compliance by permanently shutting  
down and ceasing operations as a charter party or excursion service carrier, as defined by  
RCW 81.70.020, without first obtaining a certificate from the Commission the parties  
agree that \$9,000 of the penalty should be suspended for two years, and then waived.

11 The parties agree that the Company will pay the remaining \$1,000 portion of the penalty  
according to a payment plan identified in paragraph 4 of the Settlement.

12 Appearances. Jason Hoxit, Compliance Investigator, Lacey, Washington, represents  
Staff. Carl Hassell, Friday Harbor, Washington, represents the Company, *pro se*.

## DISCUSSION

13 WAC 480-07-750(1) states in part: “The commission will approve settlements when  
doing so is lawful, the settlement terms are supported by an appropriate record, and when  
the result is consistent with the public interest in light of all the information available to

the commission.” Thus, the Commission considers the individual components of the Settlement under a three-part inquiry, asking:

- Whether any aspect of the proposal is contrary to law.
- Whether any aspect of the proposal offends public policy.
- Whether the evidence supports the proposed elements of the Settlement as a reasonable resolution of the issue(s) at hand.

14 The Commission must determine one of three possible results:

- Approve the proposed Settlement without condition.
- Approve the proposed Settlement subject to conditions.
- Reject the proposed Settlement.

15 The Commission approves the Settlement in this case without condition. The parties made concessions relative to their respective litigation positions to arrive at the end results that are supported by the evidence in the record. SJ Taxi admits that its conduct violated Commission statutes and rules and has agreed to cease and desist all uncertificated operations unless and until it obtains a certificate from the Commission. The Settlement supports the Commission’s goal of compliance by permitting the Company to pay a reduced penalty of \$1,000 and suspending, then waiving, the \$9,000 remainder of the penalty conditioned on the Company complying with the terms of this Order and timely paying the remaining \$1,000 portion of the penalty.

16 The terms of the Settlement are not contrary to law or public policy and reasonably resolve all issues in this proceeding. Accordingly, we find that the Settlement is consistent with the public interest and should be approved as filed.

### **FINDINGS AND CONCLUSIONS**

17 (1) The Commission is an agency of the state of Washington vested by statute with authority to regulate persons conducting operations as a charter party or excursion service carrier for compensation over public roads in Washington.

18 (2) The Commission has jurisdiction over the subject matter of this proceeding and over SJ Taxi.

19 (3) SJ Taxi waived its right to a hearing in this matter.

- 20 (4) SJ Taxi admits that it violated RCW 81.70.260 on two occasions by offering and advertising to provide charter party or excursion carrier service.
- 21 (5) The Settlement is not contrary to law or public policy, and it reasonably resolves all issues in this proceeding.
- 22 (6) The Settlement is consistent with the public interest.
- 23 (7) The Commission should approve the Settlement without condition and order the penalty amount, conditions, and other terms as proposed by the parties in the Settlement.

### ORDER

#### THE COMMISSION:

- 24 (1) The Settlement is approved without condition, is attached as Exhibit A to, and incorporated into, this Order, and is adopted as the final resolution of all issues in this proceeding.
- 25 (2) SJ Taxi, LLC, d/b/a San Juan Taxi & Tours is classified as a charter party or excursion service carrier within the state of Washington.
- 26 (3) SJ Taxi, LLC, d/b/a San Juan Taxi & Tours is ordered to immediately cease and desist operations as a charter party or excursion service carrier within the state of Washington without first obtaining the required certificate from the Commission.
- 27 (4) SJ Taxi, LLC, d/b/a San Juan Taxi & Tours is assessed a penalty of \$10,000. A \$9,000 portion of the penalty is suspended for a period of two years from the date of this Order, and waived thereafter, provided that: (1) SJ Taxi, LLC, d/b/a San Juan Taxi & Tours refrains permanently from further operations as a charter party or excursion service carrier in the state of Washington without first obtaining the required certificate from the Commission, and (2) SJ Taxi, LLC, d/b/a San Juan Taxi & Tours timely pays according to paragraph 4 of the settlement stipulation the \$1,000 portion of the penalty that is not suspended.
- 28 (5) The Commission retains jurisdiction over the subject matter and the parties to this proceeding to effectuate the terms of this Order.

DATED at Lacey, Washington, and effective December 12, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ *Andrew J. O'Connell*

ANDREW J. O'CONNELL  
Administrative Law Judge

### NOTICE TO PARTIES

This is an Initial Order. The action proposed in this Initial Order is not yet effective. If you disagree with this Initial Order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this Initial Order and you would like the Order to become final before the time limits expire, you may send a letter to the Commission waiving your right to petition for administrative review.

WAC 480-07-825(2) provides that any party to this proceeding has twenty (20) days after the entry of this initial order to file a petition for administrative review (Petition). Section (2)(b) of the rule identifies what you must include in any Petition as well as other requirements for a Petition. WAC 480-07-825(2)(c) states that any party may file a response to a Petition within 10 days after service of the Petition.

WAC 480-07-830 provides that before the Commission enters a final order any party may file a petition to reopen a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable with due diligence at the time of hearing, or for other good and sufficient cause. The Commission will give other parties in the proceeding an opportunity to respond to a motion to reopen the record, unless the Commission determines that it can rule on the motion without hearing from the other parties.

WAC 480-07-825(1) provides that an Initial Order will become final without further Commission action if no party seeks administrative review of the initial order and if the Commission fails to exercise administrative review on its own motion.

Any Petition or Response must be electronically filed through the Commission's web portal as required by WAC 480-07-140(5).

**EXHIBIT A**